GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:661
ANSWERED ON:03.03.2008
DECLINE IN PROFIT OF MTNL
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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the MTNL reported a 53 per cent year-on-year decline in its net profit in the current financial year;

(b) if so, the details thereof;

(c) whether the Government has assessed the reasons for the same;

(d) if so, the details thereof;

(e) whether the MTNL has continued to lose the market share to more aggressive rivals such as Bharati Airtel Ltd. and Reliance Communications Ltd. in the market of Mumbai and Delhi;

(f) if so, the corrective steps taken by the Government in this regard;

(g) whether MTNL has acres of land lying vacant in Delhi and Mumbai;

(h) if so, the details thereof; and

(i) the manner in which the Government is going to utilise these vacant land?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a) & (b) No, Sir. The details regarding net profit for the current financial year will be available only after close of financial year on 31.03.2008.However, for the financial year 2006-07, MTNL reported increase in net profit by 17.48%.

(c) & (d) Do not arise in view of (a) and (b) above.

(e) to (f) No. Sir.Market share of MTNL in Global System for Mobile Communications(GSM) has grown from 4.56% as on 31.03.2003 to 17% (approx.) as on 31.03.2007. MTNL is facing the competition very boldly.Lots of measures have been taken by MTNL to maintain its customer base as well as to improve its share in telephone services in its service area.

(i) MTNL has planned to expand cellular mobile network by one million each in Delhi and Mumbai in 2007-08. Purchase Order has already been placed for 750K lines each for Delhi and Mumbai. Network is in advance stage of commissioning.

(ii) Nearly 300 Base Transceiver Stations (BTS) each in Delhi and Mumbai has been planned for installation to further improve coverage and capacity.

(iii) MTNL is providing a lot of Value Added Services for both Public Switching Telephone Network (PSTN) and Mobile subscribers like news, songs, astrology, e-ticketing, SMS, Voice SMS, Internet, Broadband, Internet Protocol Television (IPTV) etc. in line with emerging trends.

(iv) New tariff plans, both in landline and cellular based Public Call Office (PCOs), are launched to retain PCO holders and attract new PCO franchisees.

(v) MTNL is also taking care of its customers by opening Sanchar Haat, customer service centre, appointment of Dealers and Agents and special care for corporate customers.

(vi) MTNL has been reviewing its tariff from, time to time various products and services so as to make them customer friendly and to suit various segments of the society.

(vii) MTNL has already launched Voice Over Internet Protocol (VOIP) services to provide ISD calls at lower tariffs.

(viii) MTNL has introduced broadband services w.e.f. 14.01.2005 which has been a great success. 5.21 lakhs broadband connections are working as on 31.01.2008. MTNL plans to provide 5 lakhs lines additional capacity of broadband network in current year.
(g)to
(i) MTNL has 37 plots in Delhi. In 24 plots, telephone exchanges/BTS are operational in temporary structure and 4 plots are being used for cable store. MTNL, Delhi has planned to construct permanent buildings for telephone exchange/staff quarters etc. on these plots in a phased manner.

In MTNL, Mumbai, 7 plots are vacant and are proposed to be used for construction of telephone exchange building to house Remote Station Unit (RSU)/ Main exchange and also commercial exploitation etc.